1	2	3	4
GAIL (India) Limited	Installation of 6th Furnace for increasing Polymer production capacity at Pata Petrochemical Plant in Auraiya District.	97.00	Completion schedule is 18 months and likely to be completed as per schedule.

Supply of gas and crude from Central Asia

797. SHRI VARINDER SINGH BAJWA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the present status regarding negotiations between the concerned countries relating to Iran-Pakistan-India gas pipeline;

(b) whether any independent steps are being taken by India to ensure easy supply of gas and crude from Central Asian counties which formed part of USSR before it split up, to India; and

(c) if so, the details thereof and by when they are likely to be completed?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) In order to enhance energy security of the country, import of natural gas is being pursued from Iran through Iran-Pakistan-India (IPI) Gas Pipeline Project. Various important issues concerning the Project are under discussion amongst the participating countries, *viz.*, Iran, Pakistan & India.

(b) and (c) Import of natural gas is being pursued from Turkmenistan as well. India has been formally admitted as a member of Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline project in the 10th Steering Committee Meeting (SCM) of the Project held in Islamabad on April 23-24, 2008. Further, Gas Pipeline Framework Agreement has also been initialled by the Ministers of all the participating countries in the 10th SCM. Various important issues concerning the Project are under discussion amongst the participating countries, *viz.*, Turkmenistan, Afghanistan, Pakistan & India.

Such multilateral projects involve protracted discussions, as all the aspects have to be carefully examined and deliberated upon to the satisfaction of the participating countries to protect each country's interests and to avoid any problems in the future in the successful operation of the projects. Implementation of the Project will start only after satisfactory resolution of the issues under discussion amongst the countries participating in the Project. As such, a time schedule cannot be laid down.

Further, India imports some quantities of crude oil from Azerbaijan and Kazakhstan.

India has also expressed its interest to import LNG from Russia.

Non-market prices of petro-products

798. SHRI RAHUL BAJAJ:
SHRI RAJ KUMAR DHOOT:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state the cost country bore during 2007-08 and is likely to bear during 2008-09 by major products at non-market prices of petroleum products?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): As the Retail Selling Prices of the sensitive petroleum products *i.e* Petrol, Diesel, PDS Kerosene and Domestic LPG were not revised in line with the steep increase in the international oil prices, it resulted in huge under-recoveries to the Public Sector Oil Marketing Companies (OMCs). The under-recoveries of the OMCs on sensitive petroleum products during 2007-08 and April -December. 2008 are as under:

(Rs. crore)

Under-Recovery	2007-08	Apr-Dec' 08
PDS Kerosene	19,102	25,100
Domestic LPG	15,523	16,137
Petrol	7,32	6,383
Diesel	35,166	58,595
TOTAL :	77,123	106,215

The under-recoveries for PDS Kerosene and Domestic LPG, as indicated above, are exclusive of the subsidy which the Government provides on these products from the fiscal budget. Subsidy provided for this purpose during 2007-08 was Rs. 2,640.60 crore and a provision of Rs.2,700 crore has been made for the same for 2008-09.

As passing on the entire impact of the steep increase in the oil prices to the consumers would have resulted in steep increase in the domestic prices and aggravated the inflationary conditions and weaken the high growth momentum of the economy, the Government has been following the equitable Burden Sharing Mechanism to ensure that the burden is shared by all the stakeholders; namely the Government, the Public Sector Oil Companies and the consumers in the following manner:

- Issue of Oil Bonds by the Government to Public Sector OMCs to compensate them partly for their under-recoveries;
- Upstream Public Sector Oil Companies to share a part of the burden by offering price discounts on crude oil and petroleum products;
- Downstream oil companies to bear a part of the burden; and
- Minimal price increases for the consumers.

The burden sharing during the year 2007-08 was as follows:

(Rs. Crore)

Burden Sharing	2007-08
Government - issue of Oil Bonds	35,290
Upstream Oil companies-Discount from Upstream Companies	25,708
Borne by OMCs	16,125

For the year 2008-09, in view of the losses suffered by the OMCs, it has been decided that the Public Sector Upstream Oil Companies will contribute Rs.32,000 crore through price discounts and the remaining under-recoveries will be met by the Government through issue of Oil Bonds.